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## REPORT

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INFORMATION OF EAST GERMAN FIRMS  
PRODUCING MINING EQUIPMENT

VWV Gesko (Federation of People-Owned Mining and Equipment Plants for the Coal Industry) has its main office in Leipzig, No 17 - 18 October Street.

The federation is under the Ministry of Industry, Main Department for Coal, Section V. The chief of Section V is Hoffmann. The Main Department is headed by President Sobottka, a ruthless Communist Party man who makes it compulsory for all plant directors in the federation to eliminate all dissidents.

The Main Department for Coal is supervised by a Soviet office which determines the total production for the Main Department, through all stages from production to the manufacture of briquettes and the manufacture of machines and equipment for mining. This Soviet office is located in Berlin.

## I. GESKO PLANTS

The following plants belong to the federation:

Lauchhammer Plant (2,400 employees)

Goerlitz Machine Factory (900 employees)

Dresden Electrical Plant (450 employees)

Grossenhain Steam Hammer Plant (350 employees)

**Boesdorf Chilled Castings Plant, near Leipzig (250 employees)**

**Ruhland Ironworks (350 employees)**

**Nordhausen Mining Construction Plants (1,000 employees)**

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Senftenberg Ironworks (250 employees)

Wetterzeube Steelworks, near Zeitz (200 employees)

Zerbst Screw Factory (150 employees)

Niederwieschnitz Iron Foundry and Machine Factory, near Oelsnitz  
(350 employees)

Ballenstedt/Harz Rubber and Cable Plant (150 employees)

Berlin-Weissensee Projection Bureau (172 employees)

In addition, there are 150 employees in the Gesko administrative offices, making the total number of people employed by Gesko about 7,122.

Brief descriptions of the various plants follow.

#### Lauchhammer Plant

The Lauchhammer Plant formerly belonged to the Flick concern and was well known in the industry under this name. The plant was dismantled by the Soviets, but later under pressure from Karlshorst was rebuilt.

Lauchhammer has a modern steel foundry and a modern gray castings plant. The principal items produced in the steel foundry are parts for mining machinery, crushing machines, electrical equipment, and caterpillar tracks. The steel foundry also furnishes all castings for the nearby Schwarzheide Synthetics Plant (a Soviet corporation, formerly I. G. Farben). Schwarzheide has been completely rebuilt, and production is the same as during the war -- synthetic gasoline.

The machine-building section of the Lauchhammer Plant works mainly on conveyor bridges, dumping equipment, and other smaller machinery such as conveyor belts, bucket conveyers, etc.

The considerable shortage of materials which predominates in the Eastern Zone does not permit fulfillment of the planned quota.

The capacity of the Lauchhammer Plant, i.e., of the steel foundry, cannot be fully utilized because there is a serious shortage of hematite. To make up for the hours of work thus lost, the plant tries to obtain outside orders for processing. At present there is a large order on hand from the Egyptian government, 40 Sitotill Street, London SE 1, dated July 1950, for delivery of parts for highway bridges.

Foreign orders are very welcome in the Eastern Zone, because in listing the requirements of materials the firms add on at least 30 to 40 percent as "waste," and thereby obtain cheap bar stock for their own production.

Under the Five-Year Plan (1950 - 1955) the Lauchhammer Plant is to be enlarged considerably. About 10 million Deutsche marks are planned just for this expansion.

The Lauchhammer Plant incurred a number of complaints in 1949 because of the poor quality of the bar iron. Many large conveyor bridges collapsed because unsuitable bar material was used in their construction. The investigation of materials ordered by the Soviets showed that the structural parts almost all

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had a density of 60 - 70 kilograms [sic]. As a result of this high density the conveyer bridges, which had an average span of 250 - 280 meters, broke under their own weight and collapsed. The total damage amounted to about 2 million Deutsche marks.

#### Goerlitz Machine Factory

The Goerlitz Machine Factory developed from the former WUMAG. The manufacture of railroad cars and locomotives is now being carried on by a special firm, also called WUMAG, which is a Soviet corporation and which no longer has any connection with the Goerlitz Machine Factory. The Goerlitz Machine Factory concentrates on the construction of turbines and pumps.

Although the steel foundry at this factory is still not completely operable, the output of the factory may be regarded as very considerable. The work done at this plant is extremely careful and precise. The factory has also undertaken a new type of production, the manufacture of 10-inch briquette presses, which are mass-produced and sent to the USSR.

Until now, such presses had been manufactured only by R. Wolf, Buckau (now Grevenbroich/Rheinland), and by ZEMAG.

A special item which the Goerlitz Machine Factory is producing for the Soviets is gas turbines. In 1949 the factory produced 293,000 Deutsche marks' worth of these turbines, which are so-called high-speed models, up to 6,000 rpm, constructed for special uses. The turbines were packed and shipped to the USSR immediately upon completion.

During the war, the Goerlitz factory produced diesel motors for speedboats and submarines. The Soviets are now intending to recondition the large motor-testing installation, which they had dismantled, in order to test large diesel motors.

Since the Goerlitz Machine Factory was detached from Gesko as of 1 August 1950 and is now working independently, it is presumed that it is being used for special purposes by the Soviets.

At Goerlitz also the shortage of hematite is very evident in the foundry.

#### Dresden Electrical Plant

The Dresden Electrical Plant produces mainly electric control panels and replacement parts for electric locomotives and for electric motors. Recently, a special railroad motor for dump locomotives was developed at this plant. These railroad motors were formerly produced by Siemens-Schuckert. The Dresden plant will not be able to fulfill its quota, because there is a serious shortage of copper and silk tape. It is significant that there is a shortage of copper throughout the Eastern Zone, because the Soviets confiscate for themselves all the copper produced -- especially by Mansfeld. Silk tape, which is urgently needed for insulating the motor windings, cannot be produced anywhere in the Eastern Zone and has therefore been ordered in West Germany. Of the total orders, amounting to over 70,000 West marks, about 30,000 West marks' worth have been delivered to date.

A new type of production at the Dresden plant is the manufacture of small electric locomotives. At the moment this production does not amount to much, because there is a shortage of heavy sheet metal and of drive motors.

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Grossenhain Steam Hammer Plant

During the war this plant manufactured principally crankshafts for diesel motors and aircraft engines, and also machined and pressed parts for tanks. The plant is still producing crankshafts for internal-combustion engines and dredger joint pins (pins for caterpillar tracks), as well as bolts for bucket-conveyer excavators.

The Grossenhain plant is very much run down, and strenuous efforts are being made to get it in good shape. However, there is no machine factory in the Eastern Zone which produces suitable steam hammers and large presses. For example, one of the large presses urgently needs a base casting which will weigh 90 tons finished. This base casting cannot be produced anywhere in the Eastern Zone, not even at Krupp-Gruson a Soviet corporation plant. An attempt was made to order it from Duesseldorf (from the Hasenkleve firm). Work has not yet been received as to whether or not the required sum in West marks has been approved. If Grossenhain does not obtain this base casting, an important branch of production will have to be suspended.

The general output of this plant is very moderate. Here, also, there is a shortage of suitable materials. In fulfilling the plan, therefore, no attention is paid to whether grade St 42,11, St 50,11, or St 60,11 is used for a certain part. The only concern is that the plan be fulfilled.

Boesdorf Chilled Castings Plant Near Leipzig

The Chilled Castings Plant is a well-known plant and has in the past produced very good chilled castings. However, because of the shortage of skilled workers the plant is not in a position at present to operate profitably and to produce high-grade material. The principal items produced are wheels for electric locomotives and small parts such as bearings, forms for briquette presses, etc. The plant is now being rebuilt. According to Minister Selbmann's wishes, it is to become one of the largest steelworks in the Leipzig area.

An enormous casting shop has already been built. It is 180 meters long and about 35 meters wide. It has only one drawback: the entire foundation is built on ground where there is a high water table; however, energetic measures are now being taken to lower the water table so that the foundations of the shop may settle.

At the moment the only thing in the shop is one 2-ton electric furnace, which has not been put into operation yet because the trench into which the molten metal is to be poured is always full of ground water. From an expert's point of view, the shop itself could accommodate two 5-ton furnaces and two 3-ton furnaces. However, since there is at present no firm in the Eastern Zone which manufactures such furnace (particularly the electrical installation), it will be necessary to operate with the 2-ton furnace for some time to come. West mark funds for purchasing electric furnaces from West Germany are not available at present.

Since 1 January 1950 the Boesdorf plant has been operating with an average monthly bank credit of 45,000 East marks. In addition, the shortage of materials is very much felt in the plant. The principal shortages here -- as in all other foundries -- are hematite and graphite; there are also frequent interruptions because of the shortage of coke.

Ruhland Ironworks

The Ruhland plant produces mainly iron parts for briquette presses, conveyer equipment, conveyer belt equipment, and stairs and scaffoldings for large installations. For its size, the plant is comparatively well equipped, as it suffered neither from bomb damage nor from dismantling.

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The Ruhland plant played an important part in the construction of the new Brandenburg metallurgical plant. In this connection, it should be mentioned that the much-publicized rapid construction of the Brandenburg plant is no miracle of technology but rather a fraud perpetrated against the people. The entire iron construction of this metallurgical plant was put together with temporary screws, to meet the deadline, which was set for the time of the SED (Socialist Unity Party) Conference. Under normal circumstances, such construction would be condemned by the building authorities.

#### Nordhausen Mining Construction Plants

The Nordhausen Mining Construction Plants are an outgrowth of an old firm (Gebhard and Koenig). The original firm still exists in West Germany.

These plants are concerned with opening up ore and coal deposits, and recently with exploratory drillings for petroleum. In addition, they have played a large part in the construction of dams in the Eastern Zone. Construction work recently undertaken includes work for the Mansfeld-Sangerhausen Federation of People-Owned Plants (copper mining) and the Saale Angersdorf and Roehrig mine shafts (coal), as well as reinforcement of foundations at Henningsdorf and Rothensee-Magdeburg.

A great deal of money has been invested in the so-called Dobbeluck [sic; probably Doberlug] project for sinking a coal-mine shaft using the freezing method, but so far no results have been obtained. It is assumed that this project will now be abandoned.

The Mining Construction Plants are employed a great deal to do work for the Wismut AG (Bismuth Corporation, which is exploiting the uranium mines), especially around Goerlitz and Wernigerode and in the Sangerhausen valley.

Exploratory drillings in the vicinity of Goerlitz are said to have produced very good results, so that already Wismut intends to recruit 30,000-50,000 miners in this region.

#### Senftenberg Ironworks

Formerly Senftenberg worked almost exclusively to satisfy the requirements of the brown coal installations in this region. To enlarge the plant and make it more profitable, a Bessemer installation was constructed. This installation was in operation for only one week; then it had to be closed down because of a shortage of hematite. The 350,000 Deutsche marks required for the construction of the installation were practically thrown away.

The Senftenberg plant also produces belt and bucket conveyor equipment, and chutes for use in mining. This plant is of no importance as a potential war production plant because of its very inadequate equipment.

#### Zerbst Screw Factory

Since its founding about 30 years ago, this factory has produced nothing but screws and rivets. After the war, the plant was dismantled; subsequently, it was re-equipped with old machinery which had been overhauled. It is due to the personal initiative of the energetic managing director that the plant has again reached a capacity of 640 tons per year. However, this capacity cannot be fully utilized because here, too, the necessary materials are lacking. Enough iron for 70,000 rivets was procured for the plant from the West for the first half of 1950.

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Niedervoeschnitz Iron Foundry and Machine Factory

This plant has always worked to cover the demand for mining equipment in the vicinity of Zwickau and in the Erzgebirge. Having been untouched by the war, the Niedervoeschnitz plant was completely ready for operations after the collapse and was immediately requisitioned by Wismut. The first machinery for Wismut's exploratory operations was manufactured in this plant. Wismut has done everything possible for this plant in the way of procuring food supplies and materials, to keep employees on the job so that exploratory operations would progress rapidly. After the establishment of the numerous Soviet corporations, the orders for Niedervoeschnitz were canceled and the plant was turned over to the Main Department for Coal. Now Wismut has machinery factories of its own which manufacture the machinery required for operations.

Ballenstedt/Harz Rubber and Cable Plant

Before the war, this plant was only a rubber factory. During the war, its primary function was the rubber-coating of fuel tanks and other aircraft parts. This is the least profitable plant in Gesko. Although its plans are always far ahead of attainment, efforts are constantly being made to pour more money into the plant. For example, it is planned, among other things, that Ballenstedt shall manufacture conveyor belts up to 2.25 meters wide for the mining industry. However, the presses and the rubber mixers needed to produce conveyor belts of that size are not even being built yet, so that it will be necessary to wait a long time for the manufacture of these broad conveyor belts.

Some of the persons employed at the plant had to be furloughed for certain periods of time or put on shorter hours, because not a single ton of copper was distributed to the cable plant. The only plant supplied by Mansfeld was the "Oberspre" rubber and cable plant, a Soviet corporation.

The Vacha/Rhoen (Ika Federation of People-Owned Plants) Cable Plant suffers from the same difficulties as Ballenstedt.

On orders from Minister Selbmann all cable is to be made of aluminum in the immediate future. However, the aluminum industry in turn is waiting for the basic materials needed in order to be able to manufacture electric aluminum at all.

Berlin-Weissensee Projection Bureau

The leading men in the Projection Bureau came from the former Petschek Coal Concern in the Sudeten district. This bureau works out those projects which, on the basis of investments and construction plans, are administered by the Main Department for Coal.

In conclusion, it should be mentioned that 70 percent of the Gesko plants are very well suited for war production, especially since a large number of them still have the appropriate equipment on hand. The many orders given to these plants by the Soviet corporations are generally so foreign to the nature of the Soviet corporations in question that it can be assumed that the completed items are shipped to the USSR for some purpose, especially since the pieces are shipped out unprocessed.

The Gesko plants are regularly inspected by the Soviets, who sometimes order arbitrary changes in the production program or in production figures.

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## II. GESKO MANAGEMENT AND PERSONNEL

Chief Director Rudolf Neumann heads the management of VWV Gesko. He receives a salary of 1,500 Deutsche marks plus 300 Deutsche marks for expenses. Neumann is a trained motor vehicle fitter and is a member of the German Communist Party. After completing training at various party schools and in the social science department of the SED university, he was appointed to his present post of chief director. Neumann's brother is chief director of the Brown Coal Administration in Borna.

The technical director of Gesko is Engineer Heilig, a native of Essen who until now has always worked in Soviet offices. Heilig joined the National Democratic Party in July 1950. He lives in the US Sector of Berlin and receives approximately 200 West marks per month in addition to his monthly salary in East marks to enable him to maintain his residence in the Western Sector.

The personnel director and political manager of Gesko is Weinrich, one of the most radical and ruthless Communists in the federation, who informs on everyone who holds views differing from his. He is on the best of terms with the criminal police and the MVD.

The business manager is Dubich, a former Nazi who now has no party affiliation. Nothing could be learned against him.

The Leipzig District Executive of the SED has appointed Pohl as political observer. Pohl is employed in Section 7 (Labor Force) and is in charge mainly of the training and the Communist indoctrination of the apprentices and training personnel. Pohl is a trained blacksmith and has been a Communist since his days as a journeyman. He is ruthless in his outlook and in his treatment of persons whose views differ from his, and he will employ any means to satisfy his urge for political power. At an SED plant assembly, Pohl and political manager Weinrich declared jointly that "the SED already has on hand, for all its functionaries and other true party members, the weapons necessary for a revolution, and what is still lacking will be furnished by the Soviets, as they have promised." Pohl also stated once that various SED functionaries were already receiving training in marksmanship. Pohl is about 48 years old.

The shop steward is Harry Mueller, 23 years old, who is a party member by "profession." Mueller is a well-trained party scholar, follows the Communist line ruthlessly, and informs against all who do not hold the same views.

The chairman of the SED plant group is Vogler, of the SED.

The Director of the Lauchhammer Plant is Josef Hatting, a native of Koeln, member of the SED since 1946. He formerly worked for the Flick concern. He is very moderate and human in dealing with his subordinates. He is counter-balanced by the social director, Schramm, who was a laborer in the plant prior to 1945 and who was made social director after the collapse. Schramm is a ruthless Communist Party man who tolerates no deviation from the SED line.

Plant director at the Boesdorf plant is Sorbe, a former fitter and a ruthless Communist Party man. Lately, Sorbe has been expecting to be called up for the State Security Service.

At the Ruhland Plant the plant director is Wolf, who spent considerable time in Soviet captivity and received Communist training during that period. Wolf and his wife are known in Ruhland as feared SED factionists, as both of them ruthlessly inform on all persons who hold views contrary to theirs.

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